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THE Fats and Oils SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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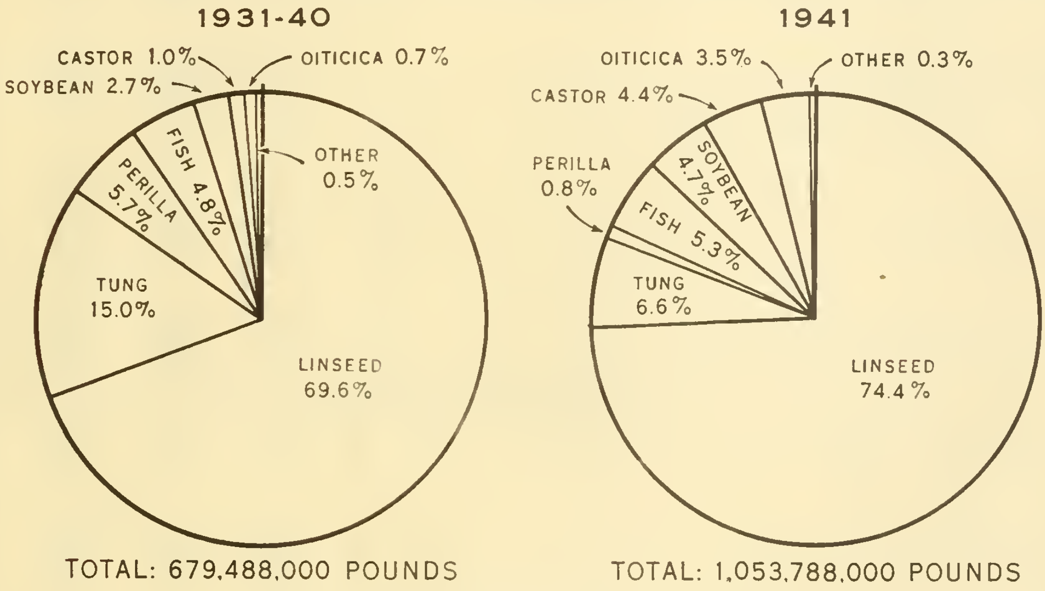
UTILIZATION OF FATS AND OILS IN THE DRYING INDUSTRIES

PROPORTIONS OF PRINCIPAL OILS IN TOTAL VOLUME OF FATS AND OILS USED IN DRYING INDUSTRIES*, UNITED STATES, AVERAGE 1931-40, AND 1941



*PAINT, VARNISH, LINOLEUM, OILCLOTH, AND PRINTING INK

U. S. DEPARTMENT OF AGRICULTURE NEG. 42184 BUREAU OF AGRICULTURAL ECONOMICS

REFLECTING THE HIGH RATE OF CONSTRUCTION AND INDUSTRIAL ACTIVITY IN 1941, CONSUMPTION OF FATS AND OILS BY THE DRYING INDUSTRIES DURING THE YEAR WAS THE GREATEST ON RECORD. DIFFICULTIES IN OBTAINING TUNG OIL FROM CHINA AND PERILLA OIL FROM JAPAN RESULTED IN MARKED INCREASES IN THE PROPORTION OF OTHER OILS USED, ESPECIALLY LINSEED, CASTOR, AND OITICICA OILS. LINSEED AND CASTOR OILS PROBABLY WILL CONSTITUTE A STILL GREATER PROPORTION OF TOTAL CONSUMPTION IN 1942.

Table 1.- Wholesale price per pound of fats and oils at specified markets, and index numbers of prices, April 1940 and 1941, February-April 1942

PRICES

Item	April		1942		
	1940	1941	February	March	April
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	27.1	32.5	34.5	34.4	37.2
Butter, 92-score, New York	27.9	33.2	34.8	34.9	37.9
Oleomargarine, dom. veg., Chicago	15.0	14.5	19.0	19.0	19.0
Compounds (animal and veg. cooking fats), Chicago	9.4	12.4	17.1	17.0	17.0
Lard, loose, Chicago	5.3	7.8	11.4	11.4	11.4
Lard, prime steam, tierces, Chicago	6.1	8.6	12.2	12.7	12.7
Lard, refined, cartons, Chicago	6.4	9.0	13.4	13.5	15.0
Oleo oil, extra, tierces, Chicago	7.0	8.9	13.0	13.0	13.0
Oleostearine, bbl., N.Y.	6.1	8.4	10.8	10.5	10.5
Tallow, edible, Chicago	5.0	7.6	9.7	9.8	9.8
Corn oil, crude, tanks, f.o.b. mills	6.2	8.3	12.5	12.8	12.8
Corn oil, refined, bbl., N.Y.	8.8	10.8	15.5	15.5	15.5
Cottonseed oil, crude, tanks, f.o.b. S. E. mills	5.9	7.9	12.6	12.6	12.6
Cottonseed oil, p.s.y., tank cars, N.Y.	6.8	8.6	13.9	14.0	14.0
Peanut oil, crude, tanks, f.o.b. mills	6.2	7.9	13.0	13.0	13.0
Peanut oil, dom. refined, bbl., N.Y.	9.3	10.6	16.8	16.9	17.0
Soybean oil, crude, tank cars, midwestern mills	5.5	7.6	11.7	11.8	11.8
Soybean oil, dom., crude, drums, N.Y.	7.2	9.2	13.0	13.0	13.0
Soybean oil, refined, drums, N.Y.	8.2	10.0	14.2	14.2	14.2
Babassu oil, tanks, f.o.b. mills, Pacific Coast	---	7.8	---	---	10.7
Olive oil, edible, drums, N.Y.	25.3	53.3	75.7	75.7	75.7
Olive oil, inedible, drums, N.Y.	12.6	35.3	59.3	59.3	59.3
Olive-oil foots, prime, drums, N.Y.	8.2	13.2	19.6	19.8	19.8
Palm oil, Niger, crude, drums, N.Y. 1/	7.5	8.3	12.2	12.2	12.0
Rape oil, drums, N.Y.	13.7	12.1	15.5	15.5	15.5
Rape oil, blown, drums, N.Y.	17.2	17.5	18.2	18.2	18.2
Teaseed oil, crude, drums, N.Y.	12.4	18.1	30.0	30.0	---
Tallow, inedible, Chicago	4.5	6.8	9.3	9.3	9.3
Grease, A white, Chicago	4.6	6.9	9.6	9.6	9.6
Menhaden oil, crude, tanks, f.o.b. Baltimore	4.4	6.0	8.6	8.9	8.9
Sardine oil, crude, tanks, Pacific Coast	5.1	7.3	8.9	8.9	8.9
Whale oil, refined, bleached winter, drums, N.Y.	9.5	9.8	11.1	11.1	11.1
Linseed oil, raw, tank cars, Minneapolis	10.3	9.6	11.1	12.4	13.1
Linseed oil, raw, drums, carlots, N.Y.	10.9	10.8	12.0	13.4	14.2
Perilla oil, drums, N.Y.	19.9	18.2	24.6	24.6	24.6
Oiticica oil, drums, N.Y.	18.8	17.1	25.2	25.2	25.2
Tung oil, drums, N.Y.	25.4	30.0	40.1	40.2	40.2
Castor oil, No. 3, bbl., N.Y.	12.8	9.9	13.4	13.8	13.8
Castor oil, dehydrated, drums, carlots, N.Y.	18.1	13.7	17.6	18.3	18.5
Cod-liver oil, med. U.S.P. bbl., N.Y. (dol. per. bbl.)	48.4	79.4	78.5	78.5	81.2
Cod oil, Newfoundland, drums, N.Y.	---	9.8	11.3	11.3	11.3
INDEX NUMBERS (1924-29 = 100)					
Eight domestic fats and oils 2/	84	104	125	127	133
Eight domestic fats and oils	59	74	89	90	94
All fats and oils (27 items)	64	79	97	98	102
Grouped by origin:					
Animal fats	59	73	83	84	89
Marine animal oils	89	105	125	126	126
Vegetable oils, domestic	71	84	125	128	130
Vegetable oils, foreign	89	114	156	160	161
Grouped by use:					
Butter	62	74	79	78	85
Butter, seasonally adjusted	65	78	76	76	89
Lard	47	65	93	97	97
Food fats, other	67	93	142	142	142
Soap fats	65	90	128	128	128
Drying oils	102	105	124	134	140
Miscellaneous oils	100	88	113	114	114

Prices compiled from Oil, Paint and Drug Reporter, The National Provisioner, and reports of the Agricultural Marketing Administration and Bureau of Labor Statistics. Prices quoted include excise taxes and duties where applicable. Index numbers for earlier years beginning 1910 are given in Technical Bulletin No. 737 (1940) and The Fats and Oils Situation beginning December 1940.

1/ Three-cent processing tax added to price as originally quoted.
2/ 1910-14 = 100.

THE FATS AND OILS SITUATION

Summary

Demand for fats and oils is expected to show further improvement during 1942, and, with maximum prices for most items fixed by orders of the Office of Price Administration, the monthly rate of actual consumption probably will be increased unless restricted by Government action to conserve supplies. Although the inventories of finished goods held by dealers and consumers are larger than usual and may help to supply consumption requirements, present prospects are that total apparent disappearance of primary fats and oils in 1942, if unrestricted, will equal or exceed the record disappearance of nearly 11 billion pounds in 1941. Disappearance in the first quarter of 1942 was slightly greater than in the first quarter of 1941 and was about equal to the average quarterly disappearance for 1941 as a whole.

Production of fats and oils from domestic materials in 1942 is likely to be about 1 billion pounds greater than in 1941, but imports of fats, oils, and oilseeds in terms of oil, which in recent years have varied from 1.5 to 2.5 billion pounds annually, may be much smaller than in 1941. With mounting lend-lease requirements, factory stocks of primary fats and oils are likely to be reduced materially in 1942. The low point will occur, seasonally, in late summer, before new-crop oilseeds move to market in volume.

Disappearance of paint and varnish oils set a new high record in 1941. Requirements for such oils are expected to continue large this year, unless consumption is restricted by Government order. The prohibition of non-essential building recently announced by the War Production Board will tend to reduce the quantity of paint and varnish oils needed, but this reduction may be about offset by increased use of such oils for ships and armaments, defense housing, and possibly for repainting and redecorating purposes. Supplies of the "fast-drying" oils - tung, oiticica, and perilla - will be very small, but abundant supplies of linseed oil are in sight.

Prices of linseed oil and butter, which are not restricted by ceilings, were considerably higher in April than in March but the price of butter has since declined. Prices of fats and oils generally are not expected to change materially in the next few months.

-- May 15, 1942

REVIEW OF RECENT DEVELOPMENTS

BACKGROUND.- With large world supplies available, prices of fats and oils were low in 1939. Prices advanced that fall, following the outbreak of war in Europe, but declined in the spring of 1940. During the first half of 1941, prices advanced sharply, reflecting a tight shipping situation for imported materials, marked improvement in domestic demand, and Government purchases of lard for export. Prices tended to level off during the second half of 1941, partly because of a temporary improvement in shipping and partly because of price-control measures. In the first quarter of 1942, however, further advances were made, notably by lard and linseed oil. Maximum or ceiling prices for fats and oils were first established on December 13, 1941. On January 2, 1942, the maximum price schedule was revised upward. On February 4, a further increase in the maximum price of lard was made, and the ceiling on linseed oil was removed.

Prices of Linseed Oil and Butter Higher in April

The wholesale price of 92-score butter at Chicago rose from 36 cents to 39 cents per pound during April, and averaged 37.2 cents for the month, compared with 34.4 cents in March. The average price for linseed oil also was higher in April than in March, as a result of a price rise during March. Wholesale prices of other fats and oils remained at ceiling levels. Because of the higher prices for linseed oil and butter, the index number of wholesale prices for 27 leading fats and oils, at 102 percent of the 1924-29 average, was 4 points higher in April than in March. The index was 23 points (29 percent) higher in April this year than last.

Soybean prices declined moderately in April, but rose again in the first half of May. Farmers are continuing to hold large stocks of beans. Flaxseed prices at Minneapolis declined from the high of over $2.70 per bushel in late March and early April to about $2.55 per bushel in early May. Prices of soybean meal and linseed meal averaged about 10 percent lower in April and early May than in March, and the price of cottonseed meal was about 5 percent lower.

Apparent Disappearance of Fats and Oils Larger in First Quarter This Year Than Last

The apparent disappearance of fats and oils (excluding farm-produced butter and lard) totaled nearly 2.5 billion pounds in the first quarter of 1942, about 100 million pounds more than in the first quarter of 1941 and slightly more than in the fourth quarter of 1941. Major increases in disappearance over a year earlier were in inedible tallow and greases, linseed oil, lard, corn oil, sunflower oil, and castor oil. With diminished supplies, disappearance of cottonseed oil, coconut oil, peanut oil, tung oil, palm oil, and olive oil, on the other hand, was reduced. Disappearance of primary fats and oils during 1941 (including farm butter and lard) totaled nearly 11 billion pounds compared with 9.8 billion pounds in 1940.

Part of the increased disappearance of primary fats and oils in 1941 undoubtedly resulted from stocking of finished goods by dealers and large consumers under the stimulus of rising prices. This influence evidently continued to operate when retail prices advanced in the first quarter of 1942. The ceilings established early in 1942 on wholesale prices of fats and oils, together with the general price order establishing maximum retail prices, probably will have the effect of stabilizing prices of fats and oils, except linseed oil and butter which are not covered by the orders, at nearly all levels of production and distribution for several months at least.

Actual consumption of fats and oils, and products containing fats and oils, increased in 1941 and early 1942 as a result of marked improvement in industrial and building activities and in consumer purchasing power. Demand for fats and oils is expected to show further improvement during 1942, and, with fixed maximum prices for most fats and oils, the monthly rate of actual consumption probably will be increased unless restricted by governmental action to conserve supplies. Although inventories of finished goods held by dealers and consumers are larger than usual and may help to meet consumption requirements, present prospects are that total apparent disappearance of primary fats and oils in 1942, if unrestricted, will equal or exceed the record disappearance in 1941.

Factory Stocks Reduced Slightly During First Quarter

Factory and warehouse stocks of primary fats and oils, as reported by the Bureau of the Census and the Department of Agriculture, totaled about 2,181 million pounds on March 31 compared with 2,233 million pounds 3 months earlier and 2,517 million pounds a year earlier. Stocks of cottonseed oil, lard, coconut oil, inedible tallow and greases were materially smaller on March 31 this year than last. Stocks of soybean oil, linseed oil, and butter, however, were somewhat larger. Factory stocks are expected to decrease further during 1942, and probably will be at an unusually low level in the late summer before the output of vegetable oils from 1942 crops begins in volume.

More castor beans were on hand March 31 this year than last, but stocks of copra were greatly reduced. Among the domestic oilseeds, stocks of cottonseed, totaling 503,000 tons, were 19 percent smaller on March 31 than a year earlier. Sufficient supplies of flaxseed and soybeans are available in mills and warehouses and on farms to permit crushing mills to operate at or near capacity until new-crop oilseeds become available this summer and fall. A fairly large proportion of the soybean supply, however, is still held on farms, and some soybean crushing mills have been forced to reduce or suspend operations because of lack of beans.

Factory Production up Moderately From a Year Earlier

Factory production of fats and oils from domestic and imported materials in the first 3 months of 1942, totaling 2,434 million pounds, was about 120 million pounds larger than a year earlier. Output of lard, tallow and greases linseed oil, soybean oil, castor oil, and corn oil was materially greater than in the corresponding period of 1941, but production of cottonseed oil, peanut oil, coconut oil, and butter was reduced. Total production is expected to exceed that of a year earlier throughout 1942, with the increase being especially marked in the second half of the year. On the basis of expected livestock slaughter and other factors, and present indications as to oil-crop acreages, production of fats and oils from domestic materials in 1942 is tentatively estimated at 10 to 10.5 billion pounds compared with 9.3 billion pounds in 1941. Such production may reach 11.5 billion pounds in 1943 if weather conditions this summer and fall are favorable for crop production. Production from imported materials both this year and next, however, is likely to be materially smaller than in recent years. In 1940 production of fats and oils from imported materials amounted to approximately 758 million pounds. Imports of fats and oils, as such, in 1940 amounted to 896 million pounds.

Use of Oiticica Oil Restricted

Oiticica oil, derived from a nut grown in Brazil, was made subject to the terms of General Preference Order M-57 by action of the War Production Board effective April 15. Oiticica oil is a substitute for tung oil. The amended order restricts the use of either tung or oiticica oil, any combination of them, or a mixture of either with other oils, to war orders with ratings of A-2 or higher; orders placed by the Defense Supplies Corporation; orders for the manufacture of linings or coatings for cans used in food processing, and orders to comply with safety, underwriter or sanitary regulations.

Restrictions on Use of High Lauric Acid Oils Modified

As originally issued, General Preference Order M-60 limited the use of coconut oil and other high lauric acid oils after May 1942 to processes in which a high percentage of glycerine is recovered. An amendment issued on May 11, however, permits small quantities of such oils to be used until October 1942 in the manufacture of edible products other than margarine, shortening, and cooking fats. The amendment also exempts tucum oil and murumuru oil from restrictions regarding utilization in edible products.

These tucum oil and murumuru oil are produced from palm kernels imported in small quantities from Brazil.

Detailed Schedule of Maximum Prices for Cottonseed Oil Announced

A schedule of maximum prices for crude and refined cottonseed oil was issued by the Office of Price Administration in Amendment No. 1, effective May 11, to the general price schedule for fats and oils (No. 53, as revised). Maximum prices for crude cottonseed oil, f.o.b. mill, in cents per pound are as follows: North Carolina, South Carolina and Tennessee, 12.75; Mississippi Valley, Alabama and Georgia, 12.625; Texas and Oklahoma, 12.50.

Maximum prices per pound for refined cottonseed oil, delivered, in tank cars, are as follows:

Location	Bleachable prime summer yellow	Cooking or deodorized summer oil	Salad or winterized oil	Hydrogenated or margarine oil	High titer hydrogenated oil
	Cents	Cents	Cents	Cents	Cents
San Francisco, Calif.	14.50	15.32	15.70	15.90	16.05
New York, N. Y.	14.30	15.12	15.50	15.70	15.85
Columbus, Ohio	14.28	15.10	15.48	15.68	15.83
Chicago, Ill.	14.23	15.05	15.43	15.63	15.78
Cincinnati, Ohio	14.23	15.05	15.43	15.63	15.78
Louisville, Ky.	14.19	15.01	15.39	15.59	15.74
St. Louis, Mo.	14.14	14.96	15.34	15.54	15.69
Charlotte, N. C.	14.09	14.91	15.29	15.49	15.64
Kansas City, Mo.	14.09	14.91	15.29	15.49	15.64
Memphis, Tenn.	13.99	14.81	15.19	15.39	15.54

Usual or normal differentials are to be used in determining maximum prices at locations and for grades not specified in this table. Maximum price for futures contracts in prime summer yellow oil on the New York and New Orleans exchanges were set at 14.30 cents per pound, compared with the previous ceiling of 13.98 cents per pound.

Price Ceilings Placed on Retail Prices of Fats and Oils and on Cottonseed, Soybean, and Peanut Meals

Retail prices of fats and oils (except butter and linseed oil) and products containing fats and oils, and prices of cottonseed, soybean, and peanut meals are subject to the General Maximum Price Regulation issued by the Office of Price Administration on April 28, which forbids any seller to sell any commodity included under the regulation at a price above the highest price at which he sold it in March. Linseed meal was expressly exempted from the regulation. Wholesale prices of fats and oils, except butter and linseed oil, are covered by Price Schedules 53 and 92, which continue in effect. Unprocessed oilseeds are exempt from the regulation.

Price Ceilings Set on Manufacturers' Sales of Paints and Varnishes

By order of the Price Administrator, in Temporary Maximum Price Regulation No. 19, manufacturers were forbidden to sell oil, paints and varnishes after April 21 at prices higher than those charged on April 12. The order is a temporary one, effective for 60 days. Sales by wholesalers and retailers are apparently governed by General Maximum Price Regulation issued April 28.

Large Quantities of Lard, Margarine, and Butter Bought by AMA in April

The Agricultural Marketing Administration in April bought about 107 million pounds of lard, compared with an average of about 38 million pounds in previous months; about 16 million pounds of margarine, compared with total previous purchases of 1.1 million pounds; and approximately 5 million pounds of butter, compared with about 5 million pounds in March and relatively small quantities in previous months. Smaller purchases of edible tallow, Vitamin-A oils and shortening also were made during the month. These purchases were made largely to meet lend-lease requirements.

Requirements for Drying Oils at High Level

The rate of consumption of the products of the drying industries (paints, varnishes, linoleum, oilcloth, and printing ink) is determined largely by the volume of construction and the rate of industrial activity. In 1941, with industrial activity in the United States at a new peak and new building at the highest level in recent years, a record consumption of fats and oils in the drying industries of 1,054 million pounds was about 55 percent above the 10-year (1931-40) average.

Industrial activity is expected to increase still further in 1942 in response to wartime demands. Whether new construction will continue at the same rate as in 1941 has become a matter of conjecture since the War Production Board, on April 28, placed a ban on nonessential projects costing over 500 dollars. However, civilian repainting and redecorating if not restricted, probably will continue at a high level, and the large quantities of paints and varnishes that will be needed this year for ships and armaments add a new and unpredictable element to the total requirements for drying oils. Altogether, it appears likely that these requirements may be at least as great in 1942 as in 1941. During the first quarter of 1942, combined apparent disappearance of 4 principal drying oils (linseed, tung, oiticica, and perilla) was 228 million pounds, nearly the same as average quarterly disappearance in 1941.

UTILIZATION, SUPPLIES, AND PRICES OF DRYING OILS IN 1942

Supplies of "Fast-Drying" Oils Reduced; Abundant Supply of Linseed Oil in Sight

A greater proportion of fats and oils from foreign sources is normally used by the drying industries than by any other class of users. In the 5 years 1935-39, only 30 percent of total consumption was of domestic origin. The chief oils and oilseeds from foreign sources in that period were flaxseed from Argentina, tung oil from China, and perilla oil from Manchuria and Japan. Difficulties in obtaining tung oil from China and perilla oil from Japan have resulted in a greater use of oils of domestic origin and of oiticica and castor oils from Brazil. In 1941, 50 percent of the fats and oils used by the drying industries were of domestic origin. Consumption of tung and perilla oils amounted to only 7 percent of total utilization in 1941 compared with 23 percent in the 5 years 1935-39, but consumption of oiticica and castor oils amounted to 8 percent of the total compared with 2 percent in the earlier period. (Tables 2-6 for recent data.)

The present situation in the Far East apparently prevents imports of any important quantities of tung oil from China. With factory and warehouse stocks of 31.5 million pounds on March 31 and a prospective domestic production of about 5 million pounds in 1943, supplies of tung oil in sight for the remainder of 1942 and for 1943 total about 37 million pounds, or about 21 million pounds on an annual basis as compared with normal consumption of 120 million pounds annually. Increasing quantities of oiticica oil have been used for many of the same purposes as tung oil, but a near failure of the oiticica crop in Brazil is reported this year. Another substitute for tung oil is dehydrated castor oil. Although there are abundant supplies of castor beans in Brazil, lack of shipping space may limit imports. Total capacity in the United States for dehydrating the natural oil for use in paints and varnishes is estimated to be about 50 million pounds annually. Supplies of perilla oil are vanishing. Factory and warehouse stocks on March 31 were only 3.5 million pounds, and no further imports can be expected during the war in the Pacific.

While supplies of "fast-drying" oils are thus very short, the total supply of other oils used by the drying industries, chiefly linseed and soybean, is relatively large.

The total supply of linseed oil and flaxseed in the United States on March 31, 1942 was about 550 million pounds in terms of oil. Reported factory and warehouse stocks of linseed oil amounted to 236 million pounds, and stocks of flaxseed, including stocks on farms not being held for seed, amounted to about 17 million bushels, equivalent to about 320 million pounds of linseed oil.

Apparent disappearance of linseed oil in the first quarter of 1942 was approximately 220 million pounds. If this rate of disappearance continues during the second quarter, stocks of linseed oil and flaxseed in terms of linseed oil will have been reduced to about 330 million pounds by July 1, the beginning of the new crop year. From the 1942 domestic crop of flaxseed possibly 32 million bushels, yielding about 600 million pounds of oil, will be available for crushing. Hence a total supply, exclusive of imports, of over 900 million pounds in terms of linseed oil appears possible for the crop year 1942-43.

Canadian production of flaxseed will be greatly expanded this year and a surplus over domestic requirements of as much as 5 million bushels may become available for export to the United States. In Argentina, 75-85 million bushels of flaxseed were estimated to be available for export on March 27, but shipping difficulties may present any large-scale movement of flaxseed from Argentina to the United States.

About 50 million pounds of soybean oil were used in the drying industries in 1941. Exceptionally large supplies of soybean oil will be available in 1942 and 1943, as large stocks of soybeans, including stocks on farms not needed for seed, remain from the 1941 crop, and 9 or 10 million acres of the 1942 crop may be harvested for beans. However, the need for soybean oil in the manufacture of edible products and for industrial purposes other than protective coatings will also be exceptionally great in 1942 and 1943, so that its use in the drying industries may not be any greater than in 1941 and may be reduced.

Reported factory consumption of fish oils in the drying industries in 1941 was about 55 million pounds. Fishing activity in 1942 may be diminished by military regulations and scarcity of boats and labor. Consumption in the drying industries, however, will be determined by the relative needs in various uses as well as by the total supply.

Prices of Drying Oils at High Levels in 1942

Prices of fats and oils used in the drying industries rose about 20 percent during 1941. Most of the rise occurred during the first half of the year, when imports were restricted by a shortage of shipping space. Despite the greatly increased demand for drying oils in 1941, prices of these oils did not rise so sharply as prices of most of the other fats and oils, partly because prices of tung oil and its substitutes had already risen in 1939 and 1940 as imports of tung oil diminished, but chiefly because large supplies of flaxseed in Argentina exercised a restraining effect. Ceilings were imposed on prices of all fats and oils in December 1941, shortly after the outbreak of war in the Pacific area. The ceiling on linseed oil prices was removed on February 4, however, and has not been reimposed because flaxseed prices have remained under 110 percent of parity.

Price supports have become an important factor in the flaxseed market, and thus indirectly in the market for linseed oil. Early in March it was announced that in order to encourage production of flaxseed in Canada the Canadian Wheat Board would buy all of the flaxseed delivered by Canadian farmers from the 1942 crop at fixed prices based on a price of $2.25 per bushel in store at Fort William. This announcement, and the fact that a few days earlier the Wheat Board had taken control of existing supplies in Canada, was probably a contributing factor to the rise in the price of flaxseed in the United States during March from around $2.35 per bushel at Minneapolis to a peak of more than $2.70. Early in April, the Argentine Grain Board advanced its price for flaxseed for export, f.o.b. Buenos Aires, by 15-1/8 cents per bushel. This action, together with increases in shipping costs, have brought the total cost, including duty, of Argentine flaxseed delivered by boat in New York to more than $2.60 per bushel and somewhat higher level if delivered by rail from Gulf ports. On April 13, the United States Department of Agriculture announced that the Commodity Credit Corporation would advance loans to farmers on their 1942 crop of flaxseed at prices based on $2.40 per bushel for No. 1 flaxseed at Minneapolis, with grade and location differentials. Flaxseed prices toward the middle of May were between $2.50 and $2.55 per bushel at Minneapolis.

The price of linseed oil in drums at New York averaged 14.2 cents per pound in April, compared with 10.8 cents per pound in December 1941 and 9.6 cents per pound in January 1941. A strong demand for available supplies of drying oils other than linseed oil may be expected to keep prices of such oils at ceiling levels during 1942. Price-supporting measures already announced will tend to prevent the occurrence of any major decline in the price of flaxseed and consequently in the price of linseed oil.

Table 2.- Estimated total consumption of fats and oils in the drying industries, United States, 1937-41

Item	1937	1938	1939	1940	1941 1/
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Linseed oil 2/	570,788	479,813	548,876	575,524	784,329
Tung oil 2/	143,470	87,405	103,051	66,921	69,780
Perilla oil 2/	38,776	41,487	50,960	19,023	8,130
Fish oil	44,340	29,781	42,570	45,967	55,514
Soybean oil	17,157	18,847	28,220	37,164	49,515
Castor oil	7,722	6,043	11,844	24,857	46,295
Oiticica oil	3,631	5,301	18,867	15,537	36,578
Coconut oil	1,126	424	710	1,263	920
Cottonseed oil	210	352	243	217	349
Rape oil	139	134	79	88	103
Corn oil	89	118	155	174	883
Palm oil	3	10	6	4	1
Olive oil, inedible	---	6	14	7	4
Other vegetable oil 3/	300	300	300	300	300
Grease	659	565	497	504	622
Tallow, inedible	158	121	102	155	375
Marine mamal oil	18	33	40	55	36
Neatsfoot oil	16	11	28	28	37
Tallow, edible	2	2	1	1	4
Lard	3	2	2	9	13
Oleo oil	---	2	---	---	---
Oleostearine	---	---	2	6	---
Total	828,607	670,757	806,567	787,804	1,053,788

Compiled from reports of the Bureau of the Census, except as otherwise noted. Data for earlier years beginning 1931 are given in The Fats and Oils Situation for May 1939.

1/ Preliminary.

2/ Since drying oils are used directly as well as in factory consumption, these figures represent total domestic disappearance excluding small quantities reported by the Bureau of the Census as used in soap, shortening, and miscellaneous products.

3/ Reported "other vegetable oils," except 300,000 pounds, assumed to be oiticica oil.

Table 3.- Estimated consumption of fats and oils in paints and varnishes, United States, 1937-41

Item	1937	1938	1939	1940	1941 1/
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Linseed oil 2/	482,295	407,614	463,327	474,154	650,546
Tung oil 2/	133,510	81,190	97,183	63,129	64,924
Perilla oil 2/	28,971	32,773	38,287	15,528	6,959
Fish oil	27,277	15,679	24,981	30,787	40,653
Soybean oil	16,143	15,183	21,720	29,828	41,594
Castor oil	7,192	5,792	11,439	24,368	44,240
Oiticica oil	3,605	5,080	17,525	14,811	35,766
Coconut oil	1,124	422	707	1,261	919
Cottonseed oil	43	184	51	65	196
Rape oil	138	131	79	88	103
Corn oil	89	118	155	174	848
Palm oil	---	1	1	2	---
Olive oil, inedible	---	6	14	7	4
Other vegetable oil 3/	300	300	300	300	300
Grease	150	144	47	94	150
Tallow, inedible	151	117	97	141	364
Marine mammal oil	11	28	36	48	26
Neatsfoot oil	15	9	24	28	37
Oleo oil	---	2	---	---	---
Total	701,014	564,773	675,973	654,813	887,629

Compiled from reports of the Bureau of the Census, except as otherwise noted.

1/ Preliminary.

2/ Since linseed, tung, and perilla oils are used directly as well as in factory consumption, these figures represent total domestic disappearance excluding quantities reported by the Bureau of the Census as factory consumption in linoleum, oilcloth, and printing ink, and small quantities used in soap, shortening, and miscellaneous products.

3/ Reported "other vegetable oils," except 300,000 pounds, assumed to be oiticica oil.

Table 4.- Factory consumption of fats and oils in the manufacture of linoleum and oilcloth, United States, 1937-41

Item	1937	1938	1939	1940	1941 1/
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Linseed oil	68,151	55,395	68,023	84,262	110,236
Fish oil	16,765	13,848	17,385	15,001	14,682
Perilla oil	8,053	6,952	10,758	2,387	340
Tung oil	7,198	4,131	3,763	2,064	1,896
Soybean oil	934	3,605	6,438	7,254	7,666
Castor oil	270	51	88	137	1,295
Rape oil	---	2	---	---	---
Oiticica oil 2/	9	115	1,264	706	723
Corn oil	---	---	---	---	1
Grease	---	1	1	---	---
Tallow, inedible	---	---	1	2	1
Total	101,380	84,100	107,721	111,813	136,840

Compiled from reports of the Bureau of the Census.

1/ Preliminary.

2/ Reported as "other vegetable oils"; assumed to be oiticica oil.

Table 5.- Factory consumption of fats and oils in the manufacture of printing inks, United States, 1937-41

Item	1937	1938	1939	1940	1941 1/
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Linseed oil	20,342	16,804	17,526	17,108	23,547
Tung oil	2,762	2,084	2,105	1,728	2,960
Perilla oil	1,752	1,762	1,915	1,108	831
Fish oil	298	254	204	179	179
Castor oil	260	200	317	352	760
Cottonseed oil	167	168	192	152	153
Soybean oil	80	59	62	82	255
Palm oil	3	9	5	2	1
Rape oil	1	1	---	---	---
Coconut oil	2	2	3	2	1
Oiticica oil 2/	17	106	78	20	89
Corn oil	---	---	---	---	34
Grease	509	420	449	410	472
Marine mammal oil	7	5	4	7	10
Tallow, inedible	7	4	4	12	10
Tallow, edible	2	2	1	1	4
Lard	3	2	2	9	13
Neatsfoot oil	1	2	4	---	---
Oleostearine	---	---	2	6	---
Total	26,213	21,884	22,873	21,178	29,319

Compiled from reports of the Bureau of the Census.

1/ Preliminary.

2/ Reported as "other vegetable oils"; assumed to be oiticica oil.

Table 6.- Percentage contribution of principal items to the total weight of fats and oils used in the drying industries, United States, 1932-41

Item	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941 1/
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
	Total drying industries									
Linseed oil	74.6	69.0	69.4	65.7	61.7	68.9	71.5	68.1	73.1	74.4
Tung oil	15.7	18.8	18.9	17.5	14.9	17.3	13.0	12.8	8.5	6.6
Perilla	2.4	4.6	4.0	8.5	13.6	4.7	6.2	6.3	2.4	.8
Fish oil	4.1	4.1	4.2	4.6	5.1	5.4	4.4	5.3	5.8	5.3
Soybean oil	2.4	2.6	2.3	2.5	2.3	2.1	2.8	3.5	4.7	4.7
Castor oil	.3	.5	.5	.5	.6	.9	.9	1.5	3.2	4.4
Oiticica oil	---	---	---	---	.4	.4	.8	2.3	2.0	3.5
Other fats and oils	.5	.4	.7	.7	1.4	.3	.4	.2	.3	.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Paint and varnish									
Linseed oil	76.9	72.0	72.0	67.2	63.3	68.8	72.2	68.5	72.4	73.3
Tung oil	16.3	19.3	19.2	18.4	16.2	19.0	14.4	14.4	9.6	7.3
Perilla oil	2.3	4.1	3.7	8.2	13.1	4.1	5.8	5.7	2.4	.8
Fish oil	1.9	1.9	2.3	3.0	3.6	3.9	2.8	3.7	4.7	4.6
Soybean oil	1.8	1.9	2.1	2.1	2.2	2.3	2.7	3.2	4.6	4.7
Castor oil	.4	.4	.5	.6	.6	1.0	1.0	1.7	3.7	5.0
Oiticica oil	---	---	---	---	.4	.5	.9	2.6	2.3	4.0
Other fats and oils	.4	.4	.2	.5	.6	.4	.2	.2	.3	.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Linoleum and oilcloth									
Linseed oil	56.3	47.2	47.3	51.7	49.4	67.2	65.9	63.1	75.4	80.6
Fish oil	20.8	18.9	19.6	17.2	16.0	16.5	16.5	16.1	13.4	10.7
Perilla oil	2.9	8.3	6.6	11.9	17.5	7.9	8.3	10.0	2.1	.2
Tung oil	12.7	16.8	19.0	12.9	7.0	7.1	4.9	3.5	1.8	1.4
Soybean oil	7.1	8.1	4.2	6.0	2.8	.9	4.3	6.0	6.5	5.6
Other fats and oils	.2	.7	3.3	.3	7.3	.4	.1	1.3	.8	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Printing inks									
Linseed oil	87.0	81.0	81.1	79.3	74.1	77.6	76.8	76.6	80.8	80.3
Tung oil	6.8	11.3	10.7	11.2	11.5	10.5	9.5	9.2	8.2	10.1
Perilla oil	1.4	3.1	3.7	4.6	9.6	6.7	8.1	8.4	5.2	2.8
Other fats and oils	4.8	4.6	4.5	4.9	4.8	5.2	5.6	5.8	5.8	6.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Computed from data shown in preceding tables and from similar data given in The Fats and Oils Situation for May 1939.

1/ Preliminary.

Table 7.- Prices of specified oil-bearing materials, April 1940 and 1941, February-April 1942

Item	Unit	Apr.		1942		
		1940	1941	Feb.	Mar.	Apr.
		Dollars	Dollars	Dollars	Dollars	Dollars
Castor beans, Brazilian, shipment, C.&f., New York	Long ton	70.00	58.50	94.38	95.25	96.50
Cottonseed, U.S. farm price	Short ton	27.18	25.88	45.04	44.18	43.90
Flaxseed, No. 1, Minneapolis	Bu.	2.11	1.93	2.33	2.59	2.62
Flaxseed, U.S. farm price	"	1.92	1.73	2.08	2.37	2.41
Peanuts (for nuts and oil), U.S. farm price	100 lb.	3.53	3.62	5.44	6.03	6.25
Peanuts for oil, delivered designated agencies	" "	---	---	4.08	4.05	4.10
Soybeans, No. 2 Yellow, Chicago	Bu.	1.09	1.20	1.95	1.92	1.83
Soybeans, U.S. farm price	"	1.00	1.07	1.78	1.79	1.76

Compiled from Oil, Paint and Drug Reporter, Daily Trade Bulletin (Chicago), Daily Market Record (Minneapolis), and reports of the Bureau of Agricultural Economics.

Table 8.- Price per ton of specified oilseed meals, April 1940 and 1941, February-April 1942

Item 1/	Apr.		1942		
	1940	1941	Feb.	Mar.	Apr.
	Dollars	Dollars	Dollars	Dollars	Dollars
Copra meal, Los Angeles	18.95	30.80	49.50	51.10	50.00
Cottonseed meal, 41 percent protein, Memphis	30.80	25.20	37.90	37.00	35.25
Cottonseed meal, 41 percent protein, Chicago	36.95	31.25	43.60	42.60	41.80
Linseed meal, 34 percent protein, Minneapolis	30.70	28.50	42.50	42.00	37.50
Linseed meal, 32 percent protein, New York	34.00	24.60	2/34.50	34.40	31.75
Peanut meal, 45 percent protein, f.o.b. southeastern mills	30.85	24.20	45.70	45.35	46.75
Soybean meal, 41 percent protein, Chicago	29.65	27.50	46.45	44.85	41.00

Compiled from records of the Agricultural Marketing Administration.

1/ Bagged, carlots.

2/ Bulk.